



Irish Life Weekly Investment Bulletin

The week that was – WEEK 44 2018 (ending 02/11/2018)

“When there is no peril in the fight there is no glory in the triumph.” – Pierre Corneille

Irish unemployment rate in October falls to 5.3% – Latest figures published by the Central Statistics Office show the seasonally adjusted unemployment rate for October 2018 was 5.3% (4.9% for females, 5.5% for males and 12.0% for youth). This compares to rate of 5.4% for September 2018 and 6.6% in October 2017.

BOE says rates may rise faster than expected in smooth Brexit deal – The Bank of England monetary policy committee voted to hold rates at 0.75% as expected and Governor Mark Carney said he expected an agreed Brexit deal with the EU but said interest rate increases may be higher than expected in that scenario.

Global stock market up 3.1% on the week – The MSCI AC World TR Index showed a 3.09% return from 26th October to 2nd November as President Trump tweeted that China trade “discussions are moving along nicely.” The Vix (CBOE Volatility Index) closed the week at 19.51, reducing from 24.16 on 26th October.

Eurozone growth of 0.2% in Q3 the weakest in five years – Eurostat reported that euro-area seasonally adjusted GDP in the third quarter slowed to 0.2% quarter on quarter (compared to 0.4% in Q2), the lowest growth since Q2 2014. Compared with the third quarter in 2017, GDP growth rose by 1.7% in the euro-area.

U.S. job numbers rise of 250,000 for October beats forecasts – The Bureau of Labor Statistics reported that nonfarm payrolls rose 250,000 in October (118,000 in September), well above consensus estimates of 190,000, while the 12-month growth in average hourly earnings hit 3.1%, the largest gain since April 2009.

U.S. consumer confidence hits 18-year high – The Conference Board reported that its index of U.S. consumer confidence rose to 137.9 in October (up from 135.3 in September), the highest level since September 2000 and primarily driven by strong employment growth and positive business conditions.

The Story of the week: The wreck of America’s first-ever naval ship, ‘USS Bonhomme Richard’, has been discovered off the coast of Yorkshire. The ship defeated the British Navy vessel ‘Serapis’ in British waters during the American War of Independence on the 23rd of September 1779. When the American ship was burning and sinking, Captain Jones was asked to surrender by his British counterpart and he uttered the immortal line: “Sir, I have not yet begun to fight.” His words proved very prophetic as well as inspiring as they managed to board the ‘Serapis’, take it over and used it for the rest of the war.

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Index Performances and Market Data*

Equity and Bond Markets % (in Local Currency)	2013	2014	2015	2016	2017	2018 YTD (to 02/11)
MSCI AC World (Gross TR)	26.2	9.9	1.8	9.7	20.4	-0.5
ISEQ Overall Return	35.8	16.8	33.6	-2.7	9.7	-10.2
FTSE 100 TR	18.7	0.7	-1.3	19.1	11.8	-4.4
Euro Stoxx 50 TR	21.5	4.0	6.4	3.7	9.2	-6.0
S&P 500 TR	32.4	13.7	1.4	12.0	21.8	3.4
Nasdaq Composite	38.3	13.4	5.7	7.5	28.2	6.6
Nikkei 225	56.7	7.1	9.1	0.4	19.1	-2.3
MSCI Emerging Markets	0.9	2.6	-8.0	7.1	27.8	-9.3
Eurozone Government Bonds 1–5 yr	2.1	3.4	1.0	0.9	-0.2	-0.7
Sovereign 10yr Bond Yields (%)	2013	2014	2015	2016	2017	2018 YTD
U.S.	3.0	2.2	2.2	2.4	2.4	3.2
German	1.9	0.5	0.6	0.2	0.4	0.4
UK	3.0	1.9	1.9	1.2	1.2	1.5
Japan	0.7	0.3	0.2	0.0	0.0	0.1
Ireland	3.4	1.3	1.1	0.7	0.7	1.0
Italy	4.1	2.1	1.6	1.8	2.0	3.3
Greece	8.2	9.6	7.9	7.1	4.1	4.2
Portugal	6.1	2.7	2.5	3.8	1.9	1.9
Spain	4.1	1.6	1.7	1.4	1.6	1.6
Central Bank Rates (%)	2013	2014	2015	2016	2017	2018 YTD
ECB	0.25	0.05	0.05	0.0	0.0	0.0
Bank of England	0.25	0.50	0.50	0.25	0.50	0.75
U.S. Federal Reserve	0.25	0.25	0.50	0.75	1.50	2.25
Foreign Exchange Rates	2013	2014	2015	2016	2017	2018 YTD
Euro/Dollar (€/\$)	1.37	1.21	1.09	1.04	1.20	1.14
Euro/Sterling (€/£)	0.83	0.78	0.75	0.84	0.89	0.88
Sterling/Dollar (£/\$)	1.65	1.56	1.46	1.24	1.36	1.30
IPD All Property Return % (in Local Currency)	2013	2014	2015	2016	2017	2018 YTD
Ireland	12.3	36.1	25.1	12.6	8.1%	5.5% (To end of Q2)
U.K.	10.9	17.9	13.3	3.6	10.3%	3.7% (To end of Q2)
U.S.	11.6	11.5	12.5	7.7	7.1%	3.7% (To end of Q2)

*Past performance is not a reliable guide to future performance and may fall as well as rise.